

## BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application of SOUTHERN STATES ) DOCKET NO. 881482-WS  
 UTILITIES, INC. [Ell-Nar and C. L. Smith )  
 Systems] for 1988 price index and pass- ) ORDER NO. 20656  
 through rate adjustments in Pasco County.)  
 \_\_\_\_\_ ) ISSUED: 1-25-89

ORDER ACKNOWLEDGING INDEXING  
 AND PASS-THROUGH RATE ADJUSTMENTS

BY THE COMMISSION:

On October 15, 1988, Southern States Utilities, Inc. (Southern States or Utility) notified this Commission of its intention to increase rates to the customers of its Ell-Nar and C. L. Smith Systems in Pasco County by application of the price-indexing and pass-through provisions of Subsections 367.081(4)(a) and (b), Florida Statutes, respectively, and Rules 25-30.420 and 25-30.425, Florida Administrative Code, respectively. The application, as filed, did not meet the requirements of these Rules. On December 7, 1988, Southern States submitted the information necessary to bring its application into compliance and that date has been established as the official filing date.

By Order No. 19073, issued by this Commission on March 31, 1988, in Docket No. 880005-WS, the rates of water and sewer utilities are subject to adjustment as a result of the application of the price index to certain utility operation and maintenance costs. The indexing factor is 2.89 percent.

The Utility also intends to pass through to the customers of its Ell-Nar System the cost of water testing required by the Department of Environmental Regulation (DER) and an increase in its ad valorem taxes. Further, the Utility intends to pass through to the customers of its C. L. Smith System an increase in its ad valorem taxes. The Utility waived its right to place the pass-through rates into effect thirty days from the filing date of this notice and states that these rates are to become effective simultaneously with the indexing adjustment.

The documentation submitted by the Utility in support of its indexing and pass-through notice meets the Commission's requirements, as set forth in Rules 25-30.420 and 25-30.425, Florida Administrative Code. In compliance with said rules, the Utility advised us that it will provide notice to its customers prior to the effective date of the rates, informing them of the impending rate adjustment and explaining that the increase is due to the pass-through provisions and the application of the price index to certain operation and maintenance expenses.

ELL-NAR SYSTEM

Applying increase factors of 1.0144 and 1.0292 to the existing rate schedules results in increased water and sewer revenues of \$2,357 and \$2,504, respectively, for Southern States' Ell-Nar System. The schedules of our computations are as follows:

1988 Price Index and Pass-Through Application  
Test Year Ended December 31, 1987

	<u>Water</u>	<u>Sewer</u>
1987 Operation and Maintenance Expenses	\$ 137,431	\$ 85,545

DOCUMENT NUMBER-DATE

00924 JAN 25 1989

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Less:		
(1) Pass-through Items:		
(a) Purchased Power	( 2,101)	( 10,028)
(b) Purchased Water	( 73,975)	0
(2) Rate Case Expense Included in 1987 O & M Expenses	( <u>3,618</u> )	( <u>3,593</u> )
Costs to be Indexed	\$ 57,737	\$ 71,924
Multiply by Change in GNP Implicit Price Deflator Index	x <u>.0289</u>	x <u>.0289</u>
Additional O & M Expenses	\$ 1,669	\$ 2,079
Pass-through Items:		
DER Water Testing	481	0
Increase in Ad Valorem Taxes	<u>148</u>	<u>\$ 362</u>
Total Increased Expenses	\$ 2,298	\$ 2,441
Divide by Expansion Factor for Regulatory Assessment Fees	÷ <u>.975</u>	÷ <u>.975</u>
Increase in Revenue	\$ 2,357	\$ 2,504
Divide by 1987 Annualized Revenues	÷ <u>163,855</u>	÷ <u>85,671</u>
Percentage Increase	<u>1.44%</u>	<u>2.92%</u>
Increase Factor to Apply to Existing Rate Schedules	<u>1.0144</u>	<u>1.0292</u>

Rates which will allow the Utility to recognize this increase for its Ell-Nar System are as follows:

WATER (1.44% Increase)  
Monthly Rate

Residential and General Service

	<u>Existing</u>	<u>New</u>
<u>Base Facility Charge</u>		
<u>Meter Size</u>		
5/8" x 3/4"	\$ 3.06	\$ 3.10
3/4"	\$ 4.59	\$ 4.66
1"	\$ 7.65	\$ 7.76
1-1/2"	\$ 15.30	\$ 15.52
2"	\$ 24.48	\$ 24.83
3"	\$ 48.96	\$ 49.67
4"	\$ 76.50	\$ 77.60
<u>Gallonage Charge</u>		
Per 1,000 Gallons	\$ 2.75	\$ 2.79
Charge Per 1,000 Gallons of Estimated Hydrant Usage When Fighting Fire	\$ 2.75	\$ 2.79

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SEWER (2.92% Increase)  
Monthly Rate

Residential Service

	<u>Existing</u>	<u>New</u>
All Meter Sizes	\$ 4.66	\$ 4.80
Gallage Charge Per 1,000 Gallons (Maximum of 6,000 Gallons)	\$ .67	\$ .69

General Service

<u>Base Facility Charge</u> <u>Meter Size</u>	<u>Existing</u>	<u>New</u>
5/8" x 3/4"	\$ 4.66	\$ 4.80
3/4"	\$ 6.99	\$ 7.19
1"	\$ 11.65	\$ 11.99
1-1/2"	\$ 23.30	\$ 23.98
2"	\$ 37.28	\$ 38.37
3"	\$ 74.56	\$ 76.74
4"	\$ 116.50	\$ 119.90
<u>Gallage Charge</u> Per 1,000 Gallons	\$ .67	\$ .69

C. L. SMITH SYSTEM

Applying an increase factor of 1.0233 to the existing rate schedules results in increased water revenues of \$622, for Southern States' C. L. Smith System. The schedules of our computations are as follows:

1988 Price Index and Pass-Through Application  
Test Year Ended December 31, 1987

	<u>Water</u>
1987 Operation and Maintenance Expenses	\$ 39,245
Less:	
(1) Pass-through Items:	
(a) Purchased Power	( 643)
(b) Purchased Water	( 18,477)
(2) Rate Case Expense Included in 1987 O & M Expenses	( 190)
Costs to be Indexed	\$ 19,935
Multiply by Change in GNP Implicit Price Deflator Index	x .0289
Additional O & M Expenses	\$ 576
Pass-through Item: Increase in Ad Valorem Taxes	<u>30</u>
Total Increased Expenses	\$ 606

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Divide by Expansion Factor for Regulatory Assessment Fees	÷	<u>.975</u>
Increase in Revenue	\$	622
Divide by 1987 Annualized Revenues	÷	<u>26,741</u>
Percentage Increase		<u>2.33%</u>
Increase Factor to Apply to Existing Rate Schedules		<u>1.0233</u>

Rates which will allow the Utility to recognize this increase for its C. L. Smith System are as follows:

WATER (2.33% Increase)  
Bi-Monthly Rate

Residential and General Service

<u>Meter Size</u>	<u>Existing</u>	<u>New</u>
5/8" x 3/4" (Includes 10,000 Gallons)	\$ 8.14	\$ 8.33
<u>Gallonage Charge</u> Per 1,000 Gallons In Excess of 10,000 Gallons	\$ .25	\$ .26

It is, therefore,

ORDERED by the Florida Public Service Commission that the indexing and pass-through application of Southern States Utilities, Inc., 1000 Color Place, Apopka, Florida 32703, is hereby acknowledged. It is further

ORDERED that the rates contained herein shall become effective for service rendered on or after February 5, 1989, subject to approval of revised tariff sheets and customer notice as previously indicated in this Order. It is further

ORDERED that the tariff sheets submitted with the Utility's application reflect the rates set forth in this Order, and Docket No. 881482-WS may be closed upon Staff's approval of the tariff sheets.

By Order of the Florida Public Service Commission,  
this 25th day of JANUARY, 1989.

  
STEVE TRIBBLE, Director  
Division of Records and Reporting

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